



BOB CASEY

FIGHTING for PENNSYLVANIA FAMILIES

Safeguarding Domestic Energy Production & Independence Act

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The Renewable Fuel Standard (RFS) was established to enhance U.S. energy security by expanding the domestic production of renewable transportation fuels and reducing our Nation's reliance on imported oil. Over the past fifteen years, the program has succeeded in driving investment in the expansion of conventional biofuels, such as corn ethanol, while the development of advanced biofuels has stalled and some of our most sensitive wildlife habitats and ecosystems have been destroyed for biofuel crop production.

Moreover, the RFS compliance system undermines the viability of independent merchant refiners through its sky-high compliance costs. Under this compliance system, refineries must submit Renewable Identification Numbers (RINs) to the Environmental Protection Agency (EPA) each year to demonstrate the amount of renewable fuel blended into the transportation fuel supply. However, merchant refiners have limited blending capacity and cannot generate enough RINs to meet their annual RFS obligations. Therefore, these refiners must purchase RINs on the secondary market, where prices have increased significantly and remain unpredictable. In recent years, RIN prices have skyrocketed over 1500 percent, making it extraordinarily challenging for refiners to engage in midterm economic planning and budgeting—let alone to undertake long-term, major investments in the development of cleaner fuels.

Refineries on the east coast have been closing steadily for the past 20 years, with total refinery capacity in the region decreasing by a third since 2017. As a result, the east coast is largely reliant on foreign sources of petroleum products. As our Nation grapples with higher energy prices, tighter fuel supplies, and ongoing conflicts abroad, it is vital we maintain our refining assets in the near term to preserve our Nation's energy security and retain the skilled energy workforce.

The *Safeguarding Domestic Energy Production & Independence Act* will reduce the compliance costs of the RFS, ensuring stability and predictability for the skilled union workers at refineries, while accelerating the deployment of advanced biofuels, supporting farmers, and investing in conservation.

Specifically, this bill would:

- **Direct the EPA to issue and sell “conventional biofuel waiver credits” at a low, fixed price** for refiners to use for RFS compliance with the conventional biofuel requirement if they are unable to obtain RINs cost effectively in the marketplace. This credit would operate similarly to EPA's waiver credit for cellulosic biofuel.
- **Allocate revenue generated from the conventional biofuel waiver credit for**
 - **Grants and technical assistance for petroleum refiners** to make investments in the development and deployment of advanced biofuels, such as sustainable aviation fuel or clean hydrogen.
 - **Financial and technical assistance for agricultural producers** to support investments in advanced biofuel crops and diversified cropping systems.
 - **Conservation funding to support wildlife and habitat restoration** in areas that have experienced significant land-use conversion.